

Testimony of William Darcy on Raised Bill No. 830

Members of the Environment Committee, my name is William R. Darcy and I live in Ashford, CT. I testified last year on a similar bill that would eliminate valuable energy saving options for Connecticut businesses and families, S.B. 126. My 2010 testimony, appendix and pictures are equally relevant this year and are incorporated into this testimony and attached hereto.

The principles that should guide the Environment Committee and General Assembly in considering Raised Bill No. 830 were enunciated by Governor Dannel Malloy on January 23, 2011 in the *Hartford Courant*:

We will make Connecticut more employer-friendly by lowering the cost of doing business with *cheaper energy, rational regulation* and turning state government into *a partner the business community can rely on* — instead of the impediment it's too often been.

That important statement by Governor Malloy has three critical elements that businesses and individuals need to help revitalize Connecticut and increase tax revenues: 1) cheaper energy, 2) rational regulation and 3) a state partner to rely on.

1. "[M]ake Connecticut more employer-friendly by lowering the cost of doing business with cheaper energy"

Connecticut has very high energy costs compared to other states. Those high energy costs reduce economic growth and the taxable income of businesses and individuals. Connecticut citizens need the full range of options available in other states to reduce their energy costs. Wood burning boilers and stoves are a vital element in this energy mix that significantly reduce the costs to businesses and individuals. In my case, by reducing fuel and electricity costs to my home and business (my commercially zoned building is used half for business and half for residence) by over \$4,500 a year my taxable income has increased as a result of my wood burning boiler. Enacting SB 830 would:

- A. Make my business less competitive;
- B. Increase my family's heating and hot water bills; and
- C. Reduce my taxable income.

By increasing business costs and reducing taxable income, SB 830 would have a definite fiscal impact on Connecticut when Connecticut can ill afford the loss of tax revenues or the competitiveness of its businesses. This factor alone argues strongly against the enactment of SB 830.

2. Connecticut needs "rational regulation."

When Connecticut and the federal government have sought to reduce the impact of air pollution sources in the past the "rational regulation" of those sources has been done by requiring *new* sources to meet higher standards (e.g. best available technology and new source performance

standards). That has been true for wood stoves, for automobiles and for stationary emission sources such as power plants. In the case of wood burning boilers "rational regulation" would mean prohibiting the sales and installation in the future of boilers that do not meet the recently developed federal EPA standards. The prohibition of the *use* of wood fired boilers, including boilers that meet the highest EPA standards, is the antithesis of rational regulation.

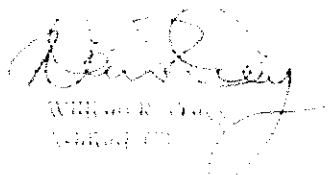
3. Connecticut needs a state government "the business community can *rely* on-- instead of the impediment it's too often been."

Many Connecticut businesses and families *relying* on existing laws and regulations have invested large amounts of money in new wood fired boiler heating and hot water systems to reduce their fuel and electricity costs. Both the capital investments and reasonable expectations of energy savings in the future would be torn asunder by the destructive mandate of SB 830. This is precisely the kind of regulation that Governor Malloy spoke of as being an impediment to businesses thriving in Connecticut. No one's capital investments are safe in a state that practices *ex post facto* laws confiscating the economic value of investments like SB 830. Businesses get the message from such legislation and leave the state or don't invest any more in such an unreliable jurisdiction.

The Proposed Legislation Is Not Needed To Address Smoke Nuisances

The push behind this bill seems to come from the small number of individuals who face legitimate health concerns from poorly operated, inefficient wood boilers that produce excessive emissions. I attended the entire hearing last year on SB 126 seeking to ban the use of wood boilers and some of the strongest supporters of the bill stopped the nuisances they personally faced by bringing lawsuits against their neighbors. The fact is that *existing laws and long standing case law provide remedies for nuisance smoke and pollution*. I cited a variety of judicial decisions on that topic in my oral and written testimony last year. To address these smoke problems it is NOT necessary to inflict serious harm on the thousands of families and businesses who operate their wood boilers responsibly, many with boilers meeting high EPA standards. SB 830 is not needed and would significantly harm Connecticut families and businesses and reduce state tax revenues.

Respectfully submitted.


WILLIAM R. MALLOY
GOVERNOR